

## Message Text

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ORIGIN OPIC-12

INFO OCT-01 NEA-10 ISO-00 EB-11 AID-20 COME-00 FRB-02

TRSE-00 XMB-07 /063 R

66614

DRAFTED BY: OPIC/ID/NEA: JGSARFF

APPROVED BY: EB/IFD/OIA: MKENNEDY

OPIC/ID/NEA: AMKRAMISH

OPIC/D: EABURTON

OPIC/GC: JOFFUTT(SUBS)

EB/IFD/OIA: WHCOURTNEY

NEA/TUR: RSDILLON

----- 119130

R 271852Z MAR 74

FM SECSTATE WASHDC

TO AMEMBASSY ANKARA

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EO11652 NA

TAGS: EFIN

SUBJ: OPIC FOREIGN GOVERNMENT APPROVAL(FGA) PROCEDURES

1. OPIC APPRECIATES YOUR EFFORTS TO RESOLVE PROBLEMS RELATING TO FGA FOR OPIC INSURANCE ON PROPOSED NEW INVESTMENTS. HOWEVER, OPIC HAS IN THE PAST DISCOURAGED EMBASSY FROM SCREENING INVESTORS' REQUESTS FOR FGA'S AND FROM MAKING REQUESTS TO THE GOVERNMENT OF THE HOST COUNTRY ON BEHALF OF THE INVESTOR. OPIC TAKES VIEW THAT INVESTOR MUST ASSUME PRIMARY RESPONSIBILITY FOR INVESTMENT OF WHICH INSURANCE IS ONLY A PART. THE REGISTRATION NOTICE ISSUED TO THE INVESTOR INCLUDES INSTRUCTIONS AS TO STEPS TO BE UNDERTAKEN BY INVESTOR IN OBTAINING THE FGA, INCLUDING THE ADDRESS OF RESPONSIBLE HOST GOVERNMENT OFFICE. THIS PROCEDURE IS EMPLOYED FOR SEVERAL REASONS. FIRST, OPIC DOES NOT WISH TO BE SEEN AS ATTESTING TO THE BONA FIDES OF THE US APPLICANT WHOSE QUALIFICATIONS AND INVESTMENT PROPOSAL ARE SUBJECT IN THE FIRST PLACE TO HOST GOVERNMENT EXAMINATION. SECOND, OPIC DOES NOT WANT TO BE SEEN AS ATTEMPTING TO INFLUENCE HOST

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GOVERNMENT DECISION RE A PARTICULAR PROJECT'S DESIRABILITY

FROM A DEVELOPMENT STANDPOINT. THESE ARE MATTERS PROPERLY WITHIN THE PROVINCE OF THE HOST GOVERNMENT.

2. OPIC ALSO BELIEVES THAT THE EMBASSY SHOULD NOT ASSUME A ROLE OF ADVOCATING THE PLANS OF A PARTICULAR INVESTOR OR INVESTMENT. INSTEAD, EMBASSY SHOULD FACILITATE AND ASSIST THE INVESTOR WHEN NON-SUBSTANTIVE PROBLEMS ARISE. NEVERTHELESS, OPIC IS NOT INFLEXIBLE ON MATTERS OF PROCEDURE AND IF SOME EMBASSY ROLE DEEMED NECESSARY, OPIC SUGGESTS THAT SUCH ROLE BE UNDERTAKEN JOINTLY WITH INVESTOR AND WITH FULL GOT UNDERSTANDING OF OPIC'S ROLE IN INVESTMENT APPROVAL PROCEDURE. PURSUANT TO THIS JOINT EMBASSY-INVESTOR ROLE THE INVESTOR WOULD CONTINUE TO MAKE DIRECT APPLICATION TO MINISTRY OF FINANCE AND CONCURRENTLY DELIVER A COPY OF SUCH APPLICATION TO EMBASSY AS A BASIS FOR DISCUSSION WITH GOT OFFICIALS, AS DESIRED.

3. IN AN EFFORT TO SUPPORT THE EMBASSY IN ITS EFFORTS TO RESOLVE THE MATTER, OPIC MET WITH TURKISH EMBASSY OFFICIALS, AKINCI AND ALPER OF THE OFFICE OF FINANCIAL AND ECONOMIC COUNSELOR ON MARCH 18. BOTH EXPRESSED VIEW THAT PRESENT DIFFICULTY IN OBTAINING FGA FOR OPIC PURPOSES PURELY A PROCEDURAL MATTER AND COULD BE RESOLVED. THEY COULD SEE NO REASON WHY THE GOT WOULD OBJECT TO OPIC INSURANCE ONCE THE INVESTMENT HAD BEEN REGISTERED IN ACCORDANCE WITH FOREIGN INVESTMENT LAW NO. 6224 AND THE DECREE OF THE COUNCIL OF MINISTERS. THEY AGREED THAT A BRIEF "NO OBJECTION" LETTER, REFERRING TO US-GOT BILATERAL, COULD BE PREPARED ON A CASE-BY-CASE BASIS.

4. IN ADDITION, THEY ALSO AGREED TO CONSIDER THE ESTABLISHMENT OF AN AUTOMATIC PROCEDURE PURSUANT TO A LETTER FROM THE GOT TO OPIC IN WHICH THEY STATE THAT ONCE AN INVESTMENT IS REGISTERED UNDER LAW NO. 6224, SUCH INVESTMENT APPROVAL WILL AUTOMATICALLY CONFER GOT APPROVAL FOR OPIC PURPOSES. UNDER THIS PROCEDURE, A COPY OF THE LETTER ACKNOWLEDGING 6224 APPROVAL WOULD BE FORWARDED TO OPIC THROUGH THE EMBASSY FOR INCLUSION IN THE CONTRACT FILE.

5. AKINCI AND ALPER AGREED TO DISCUSS THIS MATTER WITH AMBASSADOR WHO WAS SIGNATORY TO THE 1964 BILATERAL AND WHO MAY HAVE A UNCLASSIFIED

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SPECIAL INTEREST IN AND KNOWLEDGE OF THE OPIC PROGRAM.

6. OPIC HAS RECEIVED A NEW PENDING APPLICATION FROM GE PERTAINING TO A PROPOSED \$1.6 MILLION EXPANSION OF ISTANBUL FACILITY. PRELIMINARY APPLICATION WILL BE FORWARDED TO EMBASSY.  
RUSH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INSURANCE, FOREIGN INVESTMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**Page Count:** 3  
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**Previous Classification:** n/a  
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**Review Action:** RELEASED, APPROVED  
**Review Authority:** martinml  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19 APR 2002 by hagers>; APPROVED <11 DEC 2002 by martinml>  
**Review Markings:**

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30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OPIC FOREIGN GOVERNMENT APPROVAL(FGA) PROCEDURES  
**TAGS:** EFIN, TU, OPIC  
**To:** ANKARA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005